Tells the Facts and Names the Names

CounterPunch

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Clinton Crowd Said Yea!

Plot to "Cure AIDS", Make H-Bombs and $5 Billion

The story of how the AIDS plague was recruited to boost H-bomb production, but one bizarre moment in a notably amazing saga of "reinventing government" in the Clinton-Gore years, begins in Washington DC on November 20, 1995. For the leading players in our tale, that fall day was overshadowed by a long-dreaded and now impending event: the final shut-down of the Fast Flux Test Facility, a breeder reactor at the Department of Energy's Hanford Nuclear Reservation in eastern Washington.

The Fast Flux, as it is familiarly known, had been placed on stand-by status in the Bush years, and was scheduled for decommission for the sound reason that it had long since outlived its purpose. That purpose had been to test fuels and materials for the eighth wonder of Tennessee, the Clinch River Breeder Reactor, which enjoyed a spectacularly poisonous career under the unremitting solicitude of its prime protector, Al Gore.

Glumly contemplating the Fast Flux shutdown were several hundred Department of Energy employees dependent on the nuclear plant for their paychecks, a Consortium of about a dozen large corporate contractors at Hanford, including Westinghouse, Lockheed, Batelle, Bechtel, TRW Environmental, Fluor and Informatics, this last a consulting firm composed of former DoE officials and former Rockwell personnel who had worked at Hanford. The third group present at the meeting were staffers for the members of the Washington congressional delegation, led by Marla Marvin, a former timber industry lobbyist who now works for Senator Patty Murray. Murray had been strident in her support for a new bomb-making mission for the Hanford reactors.

On the other side of the table (though this deployment scarcely did justice to the cordial nature of the relationship) was Dr. Terry R. Lash, director of the DoE's Office of Nuclear Energy, Science and Technology. The impresario of the the entire conclave was Richard Thompson, a former Air Force officer and Democratic Party wheeler dealer/entrepreneur in Washington state.

As a confidential DoE memo of the occasion frankly noted, the purpose of the meeting was to stave off shut-down until such time as the Fast Flux could be transferred to private ownership, retooled at taxpayer expense and then launched on its new mission: production of tritium, which the Consortium estimated would net the partners anywhere from four to five billion dollars a year. "The Consortium's interest in the Fast Flux", the DoE memo states, "is contingent on the Consortium securing a 20-year contract with the Department for the purchase of tritium irradiation services. Without a tritium production contract, the Consortium is not interested in the facility."

For those **CounterPunch** readers not intimately acquainted with the finer points of thermo-nuclear weapons production, let it be said that tritium puts the oomph into an H-bomb explosion. The compound has a half-life of 12.3 years. So to keep nuclear weapons user-ready, the tritium needs to be replaced on a regular basis.

Right now a shortfall in the US tritium stockpile is expected by 2005, if the START II treaty is not implemented. If

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Our Little Secret

PULITZER FAKER?

Toting the Pulitzer prize for commentary this year is Eileen McNamara of the *Boston Globe*, among whose less appetizing obsessions is the belief that many of the poor wretches swept up in the Satanic abuse hysteria have indeed been guilty of monstrous crimes and richly deserve their decades in prison. Targets of rabid abuse by McNamara include the Amirault family, three victims of a particularly ghastly Salem-type lynch proceeding in New England.

Back on January 14 of this year the Justice Committee, based in San Diego, held a reprise of the famous 1697 Day of Contrition, when the original Salem witch-hunters, including one of the judges, openly demonstrated their remorse for what they had done three years earlier. The reprise last January was attended by many victims of the Satanic abuse trials of the 1980s and early 1990s, including Kelley Michaels and the Buckeys, all of whom spent years in prison before being vindicated.

The next day a McNamara column appeared in the *Globe*, datelined Salem, referring in its opening sentence to "a conference here" and berating those attending the Day of Contrition for blindness towards the realities of child abuse. Though she was clearly claiming that she had attended the conference McNamara made no mention of who was there and who had spoken. She quoted no one by name and indeed included only one blind quote of a generic nature. But there weren't many people at the meeting and none of them encountered McNamara. Buttressing the possibility that McNamara faked her presence was the fact that she said the location of the proceedings was the Peabody-Essex institute. And indeed the conference's advance schedule had stated as much. But at the last minute the Institute withdrew its invitation and the proceeding took place at the Hawthorne Hotel.

If McNamara was at the conference why didn't she know where it was held?

Had McNamara been interested in doing anything other than a hit job, she would have gone to the Hawthorne Hotel and there met Violet Amirault, now 71, under 100 pounds and unlikely to survive a return to prison that will come soon unless Gov. William Weld issues a commutation or pardon (an intervention made less likely by McNamara's disgusting polemics).

In an April 9 column McNamara denounced rallies in support of the Amiraults as "being staged [by people] who never attended the trials or read the transcripts" — a straightforward lie by the Pulitzer winner. McNamara failed to return our call.

WHEN BURNS WHISPERED

Carrying away the Pulitzer prize for international reporting is John F. Burns of the *New York Times*, whose recent reports from Afghanistan have stuck to the US government line with remarkable zeal. In one long article Burns and another *Times* reporter went to comical lengths to outflank convincing and accessible evidence that the CIA had engineered the rise of the fanatic Taliban movement, in association with Pakistani Intelligence.

In Baghdad in the months after Saddam Hussein's invasion of Kuwait, Burns once gave an amusing, albeit unconscious display of what he regarded as truly dangerous talk. Lunching in the Sheraton Hotel with a European reporter Burns denounced Saddam in tones so loud that his lunchtime companion gazed about worriedly, alarmed at the possibility that they would be seized by Iraqi state security agents scattered around the hotel and charged with plotting against the maximum leader. Then Burns suddenly lowered his voice to an almost inaudible whisper and, gazing furtively over his shoulder, began an analysis of editorial politics at the *New York Times*.

THOSE VIET VETS

Following **CounterPunch**'s recent piece on the disgusting tactics employed by the Justice Department Civil Division to deny justice to aged Vietnamese veterans, we are happy to report that the DoJ has thrown in the towel. In a one-sentence letter to the court last week it announced that it was withdrawing from the case. This should mean that the "Lost Commandos" — whom the US Army declared dead while they were known to be alive in North Vietnamese prison camps in order that their families could be denied their contracted benefits — might finally get their back pay.

Unfortunately, in another part of Babylon the enemy is still fighting on. Despite a law passed by Congress last year that directed the Pentagon to pay these old gentlemen their money, the Pentagon is finding reasons not to do so. The motive force behind this disgraceful behavior appears to be two colonels who direct the US Army Litigaton Center in Arlington, Vir-

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ginia. These scoundrels, the same colonels who fought bitterly to prevent the commandos having their day in court, inspired a campaign of vilification of the plaintiffs in *Retired Officer* magazine, and most significantly, coached General John Singlaub, arms dealer and all-round sleazeball, during a hearing on the issue by the Senate Intelligence Committee last year. The significance comes from the fact that Singlaub is one of the major villains of the whole affair. He ran the Special Operations Group in Vietnam at the time the decision was taken to consign them to oblivion. This decision he has lately had the gall to justify on the grounds that they were "non-performing assets."

It would now appear that Singlaub, irked at the resurrection of the men he deserted, is seeking through his allies dwelling in the fetid swamps of the Litigation Center to fight against justice to the bitter end.

❶ A SHORT HISTORY OF PAUL HAWKEN

Honoring Earth Day, which recently passed us on April 22, *Mother Jones* ran a vast piece by Paul Hawken, touted as as the great new thinker of our time. Anyone interested in where green liberalism is headed these days should take a look.

Hawken is half the partnership that puts out the Smith & Hawken catalogue, offering teak-handled mulching forks for the sensitive suburban gardener. He's lately flowered as a guru in the tradition of Charles Reich, author of that 1970s bestseller, *The Greening of America*. Hawken's distance from serious thought is about the same as that of Khalil Gibran from Thomas Hobbes. Hawken's *The Ecology of Commerce* is a mush of platitudes centered on the usual postion of affluent greens, that a purer, better world can be attained by dint of scarcity in which the use of supposedly dwindling resources will be governed by price increases, thus restricting their consumption to the enlightened rich. This is called "green pricing." It all comes down to money and who's able to pay. As Paul Hawken puts it, "One is tempted to say that there is nothing wrong with capitalism, except that it has never been tried."

The root belief here is that capitalism is essentially benign. Troublesome features — Vietnamese kids making Nike cross-trainers for pennies a day — can be purged by the power of enlightened consumers and investors. With Nike, promulgate a code of standards and certify the shoes with the "No Sweat" label. (For the realities of such "certifications," see the highly instructive disclosures in this issue of **CounterPunch** about the White House-brokered system of sweatshop review for firms like Nike and Reebok, where the same accounting firms which cook their books are entrusted with the high moral mission of assessing their work practices.)

In the nineteenth century Hawken would have been hawking patent medicine. This being the twentieth, he began with macrobiotic hucksterism. Today he makes his mint selling pastoral fanatsies.

Hawken asked women to gather smooth stones from the river which he advertised at $35 each.

His own brief encounters with the realities of nature still bring a smile to the inhabitants of the Mattole Valley in Humboldt County, northern California, where he once shared some land. Assessing nature's bounty with an appreciative eye on one visit from the Bay Area, Hawken dispatched young women to the mouth of the Mattole River, tasking them to collect smooth round stones. These were soon advertised at $35 each in the Smith & Hawken catalogue.

Hawken would make references to his "woodlot," remarking in the catalogue that tool handles made from ash culled from this same lot had a peculiarly marvelous affinity with the hand that wielded them, also that a properly sharpened axe could thin the famous woodlot with far more tact and efficiency than the customary chainsaw. Both the woodlot and the ash trees had a more vigorous presence in the catalogue than on the northern escarpment bordering the Mattole where lay the acres half-owned by Hawken.

Hawken and his family once dropped in on a Mattole neighbor when the latter was having a couple of pigs packed into a freezer truck from the nearby town of Ferndale. The blood drained from Hawken's face and amid the agitation of his family all operations had to be suspended till the visit was over. This sums up neatly Hawken's relationship to the natural kingdom.

❷ LION-HEARTED KATIE

We've nothing particular against Katie Couric, host of the *Today Show*, and on the cover of the May edition of *George*. But does she really deserve Lisa de Paulo's fervent praise in the *George* profile for her courage in being tough on Yasir Arafat in an interview with the Palestinian leader about Jewish settlements in Jerusalem? Tough on Yasir on American network TV? Now that really takes guts! Not many folks would want to go into the ring with Yasir on those conditions. No, sir! It all made us feel even kindlier towards Rowland Evans, who's asked in the same issue of *George* "which piece inspired the most mail from your readers?" To which Evans replies, "Many columns criticizing Israel for outrages committed against defenseless Palestinians." We know, Rowley. We've been there.

❸ HEAVEN CAN WAIT

WANTED: "an ideal opportunity — a 'dream come true' to a campaign manager — for the Administration to 'save' this project by supporting the consistent themes of reinventing government, efficiently using taxpayer money, non-proliferation, getting rid of nuclear waste products, curing cancer and AIDS, creating jobs, weaning America's severe dependency on foreign isotopes and cutting health care costs approximately $40 billion a year (yes ... that's Billion!)"

And what was that "ideal opportunity?" FAST FLUX is what it was, the truly incredible scam which is the lead article in this **CounterPunch.** The hot-breath prose quoted above came in an April 30, 1996 memo from the con artists to the White House aides Mike McCurry, Julie Mason, and David Wilhelm. They lost no time in introducing the con artists to President Bill. ■

This special double issue of CounterPunch combines our April editions.

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"Generally Accepted Slavedriving Principles"

Accounting Firms to Monitor Sweat Shops

Human rights groups and labor unions have been maneuvered into endorsing the appalling labor practices of firms like Nike and Reebok. Corporate victory was signalled on April 14 when President Bill hailed a federal task force for proposing what *The New York Times* called a "groundbreaking agreement that seeks to end sweat shops". The presidential panel agreed to establish a voluntary code of conduct on working conditions for overseas apparel factories used by American companies and provides for the monitoring of those factories to ensure compliance. Companies that meet standards established by the task force win the right to put a "No Sweat" label in their clothing, thereby assuring consumers that their merchandise is not made with sweatshop labor.

The task force's members came from companies such as Nike, Reebok, Liz Claiborne, Patagonia and Phillips-Van Heusen; two labor unions, UNITE and the Retail, Wholesale and Department Store Union; and human rights groups such as the Lawyers Committee for Human Rights and the Robert F. Kennedy Memorial Center for Human Rights. Gene Sperling, chairman of the National Economic Council, praised them for being "willing to sacrifice their sense of what was perfect to achieve something for the common good".

The problem — as invariably happens with blue-ribbon panels where government effectively teams with business against other groups — is that labor and its allies made most of the sacrifices. First, companies agreed to establish a maximum 60-hour work week, unless employees volunteer for more. That's a huge loophole as anyone who's spent time in the Third World can attest. Workers will often "volunteer" to do anything management wants because they'll be fired if they don't.

More importantly, businesses furiously fought off a labor proposal that called for factories to be monitored by church and human rights groups. Instead, this crucial task will be left to US accounting firms paid by the apparel makers, such as Arthur Andersen, Peat Marwick and Coopers & Lybrand. The agreement says that the accounting firms should consult with human rights groups in preparing for inspections, but since apparel workers will know that monitors work for their respective companies they will hardly feel free to state openly their grievances.

Nike has long specialized in sending "independent" observers to tour its plants. In addition to using some of the same accounting firms recommended by the panel, the company has dispatched big names such as Georgetown University basketball coach John Thompson to tour its overseas operations. Thompson recently completed a Nike-arranged visit to shoe factories in Indonesia and returned with a glowing report, telling a stockholders' meeting that his players could continue to wear Nike shoes without troubling his conscience.

Andrew Young, hired by Nike to vouch for its business practices in Asia, has a joint venture with Indonesia's Lippo Group.

In another marketing coup, Nike has now signed up former UN ambassador Andrew Young, head of "Goodworks International". Young will soon issue a report on his recent mission — a whopping four-day excursion — to Indonesia and Vietnam.

There are sound reasons to question Young's independence, especially in the case of Indonesia. Young heads not only the soothingly named "Goodworks", but also chairs an outfit called Law Environmental Inc. This latter firm has formed a joint venture with the Lippo Group, the Indonesia conglomerate that poured hundreds of thousands of dollars into the Clinton re-election campaign. As part of the deal, Young's company will help design infrastructure facilities at Lippo's mammoth Carita Bay resort in Indonesia. (The agreement was heavily promoted by the Commerce Department's Indonesia Advocacy-Finance Working Group, whose members included John Huang, the former Lippo employee turned Democratic Party fund-raiser.)

Nike and other companies are right to to fear tough independent monitoring.

The Kennedys: No Sweat

In seeking to assuage critics of the presidential task force on sweat shops, National Economic Council chieftain Gene Sperling pointed to the participation on the panel of groups such as the Robert F. Kennedy Memorial Center for Human Rights. "Do people really believe that these top groups ... would sign on to an agreement that they didn't think was at least a strong step forward?" Sperling asked.

In fact, this is not the first time that the RFK Memorial Center — which often does fine work — has served as window dressing for spin control efforts of sweat shop employers. One of its top staffers is Carrie Kennedy Cuomo, who also sits on the board of directors of the Reebok Human Rights Award. Last year, Reebok had the effrontery to award one of its prizes to Julie Su, a Chinese American who has opposed sweat shop labor in Los Angeles.

An even more egregious case of Kennedyesque complicity with sweat shop labor involves Richard K. Donahue, who sits on Nike's board and was president of the firm during the early 1990s. His service at Nike earned him a seat on the board of the selections committee for the Kennedy Library's "Profiles in Courage" awards. "Donahue's no profile in courage," Jeff Ballinger says. "He headed the company when the worst sweat shop abuses were taking place in Indonesia. He never said a word about it." ■

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Nike recently arranged for businessman Thuyen Nguyen of Vietnam Labor Watch to tour its Vietnam plants. The company apparently thought that Thuyen would be an easy mark, but the businessman junked the schedule that Nike had planned for him and interviewed workers away from company overlords.

In a PR debacle for Nike, Thuyen held a press conference upon his return in late March where he reported that young female workers at the company's plants were paid about $1.60 per day, allowed to take only one bathroom break during an 8-hour shift and subjected to corporal punishment and sexual harassment. "Nike is clearly not controlling its contractors, and the company has known about this for a long time," he told the press.

Back to the federal task force: corporate reps also scored a big victory with the panel's rejection of a "living wage policy". Instead, companies will be required only to pay the legal minimum wage in the countries where they operate. Of course the minimum wage is often not a living wage, as a result of governments having smashed unions, harassed independent organizing and generally outlawed their opposition.

A Reebok subcontractor was found to be using nine-year-old Pakistani children to manufacture soccer balls.

In Indonesia, for example, the minimum wage is $2.36 per day. The Suharto dictatorship concedes that in Jakarta and other urban areas it takes $4 per day to meet subsistence needs. "I can't see accepting an agreement that doesn't demand a living wage," Jeff Ballinger, an anti-sweat shop organizer, says. "I don't see how to sell this deal to the workers in those countries. The companies are willing to spend millions to have accounting firms do the monitoring but they can't even guarantee that workers will be paid enough to eat." Ballinger believes that labor and human rights groups could have pushed hard on this issue, saying, "The companies would have been forced to go along or to embarrass themselves by saying straightforwardly, 'No, we will not pay a living wage'."

It's obvious the apparel companies on the panel have no intention of improving the lot of their workers. Nike, the most notorious employer of sweat shop labor, moved to Asia in 1967, when it opened up plants in Japan. When wages began rising in the early 1970s, the company moved to South Korea; it departed in 1986 for Indonesia after Korean workers won labor rights and higher pay. Now the company is again shifting production, this time to Vietnam where it already manufactures one million pairs of shoes per month. There it costs Nike $1.50 to produce a pair of basketball shoes that retail for $150 in the US.

Last month, Nike reported that its third quarter income in 1996 was $237 million, up 78 per cent over the previous year. Revenue hit $2.4 billion, up 53 per cent, and stock earnings climbed by 79

(continued on next page)

NAACP Takes Money, Okays Deal

Last month, Bell Atlantic and NYNEX ran full-page ads in *The New York Times*and other major newspapers promising that the proposed merger between the two firms — which will create the nation's second largest telecommunications company after AT&T — will lower phone rates and in other divers ways prove a blessing to consumers. The ads are part of a campaign to win final approval for the merger, which has been approved by ten states but which still needs to be okayed by New York and New Jersey.

A number of public interest groups have endorsed the merger, including the NAACP. Its head, Kweisi Mfume, is quoted in the ad as saying that the deal "will make a stronger company that is better able to serve its constituents" and allow the new firm to "adopt the best practices of each of its parts to make a better whole".

When it comes to serving constituents, Bell Atlantic has certainly been good to the NAACP. The phone company runs a foundation that doles out millions annually, including a gift of $50,000 to the NAACP last year that allowed the civil rights group to launch its web site. On March 1, five days before the ad ran in the *Times*, Bell Atlantic gave the NAACP another $15,000 for further development of the web site. According to *Corporate Crime Reporter*, Bell Atlantic has donated $270,000 to the NAACP since 1984. NYNEX has also backed the NAACP, though not as lavishly. It gave the civil rights group $15,000 in 1993 and $9,700 in 1992.

As such grants indicate, Bell Atlantic and NYNEX have made a practice of funding third party organizations, especially liberal ones with high credibility, and then pressing recipients to support their legislative and regulatory agenda. Jamie Love of the Consumer Project on Technology, a group affiliated with Ralph Nader, said that Bell Atlantic once offered to give his outfit money if it would back the phone giant's plans to enter the long distance market. Love declined the offer, but many cash-strapped groups find it hard to resist offers of big money.

NYNEX is especially adept at this strategy. It employs Mary Ellen Pires, a $300 an hour New York-based PR consultant who — according to a fawning 1996 profile in the *Westchester County Business Journal* — specializes in helping "companies build goodwill with consumer groups and other third party groups active in influencing public policy". In addition to "wooing lawmakers and regulators", said the article, "many companies have slowly seen the wisdom of winning government support by forging ties with potential opponents".

Pires' other clients have included Exxon, Tenneco and Illinois Power (her goal for the latter was to "polish up its image in light of electric rate deregulation and problems with its Clinton nuclear power plant"). She won't reveal which "third party" groups she has tried to buy off, but in addition to the NAACP Pires admits to having roped in the Consumer Federation of America on another project for NYNEX. ■

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(Sweat, continued from p. 5)

per cent to 80 cents per share. Nike CEO Phil Knight, the fifth richest man in the world, owns 100 million shares of his company's stock, which means that his dividend income for the quarter was $80 million.

At that rate, a Nike employee in Vietnam would need to work for about four millennia to earn Knight's annual dividend income. Meanwhile, three Nike factories in Indonesia recently asked for a waiver from the minimum wage, which would have required the plants to pay workers an extra 20 cents per day.

Reebok portrays itself as a kinder, gentler Nike. The company gives out annual awards for human rights and supports Amnesty International; several years ago it donated $5 million to the group to fund a tour by Sting.

Yet Reebok — whose CEO, Paul Fireman, made $60 million last year — has followed roughly the same geographical trajectory as Nike in seeking the cheapest possible labor. It started up its Asian operations in Taiwan and South Korea, but has since moved on to more corporate-friendly locales such as Thailand and Indonesia. Reebok makes a third of its shoes in the latter country and has consistently rejected plans to have local human rights groups monitor its factories.

The sweatshop accord will sanction US companies paying Asian workers as little as 20 cents an hour.

Nor is Reebok's oversight any better than Nike's. In the early 1990s a company subcontractor in Thailand was caught using Burmese refugees who were receiving half the minimum wage. Last year, both Reebok and Nike subcontractors were found to be using children as young as nine to make soccer balls. Labor and human rights groups who sit on the task force promise to toughen up its proposal before it goes into effect later this year. If not, these advocates will be party to an agreement that not only sanctions US companies paying Asian workers as little as 20 cents per hour, but rewards those firms with the coveted "No Sweat" seal of approval as well. ■

Veep Watch

Al Gore: Home of the Whopper

Things go from bad to worse for poor Al Gore. First, the Veep gave his now famous press conference, considered by experts to rank as one of the worst in political history, in which he said (seven times) that there is "no controlling legal authority" that barred the fund-raising maneuvers he employed during the 1996 campaign. Then Gore went to China where he not only was captured on film in a tranquil toast with President Jiang Zemin, otherwise known as the Butcher of Beijing, but returned to a blizzard of negative press concerning his craven failure to raise human rights issues with China's leaders.

Now, the 900 pages of memoranda released by former White House chief of staff Harold Ickes reveal as lies Gore's excuses about how he happened to be at the Hsi Lai Buddhist Temple in Los Angeles last April 29. Recall that it was on that day when dozens of monks who had taken vows of poverty ponied up $130,000 for the DNC (money supposedly returned after disclosure of the event proved to be so embarrassing to the Democrats).

Gore has insisted that he didn't know the event was meant to be a fund-raiser. First, the Veep claimed that he thought his visit was simply an effort at "community outreach". This whopper was exposed in January, when documents showed that the Veep was expected to "inspire political and financial supporters" during his stay at the temple. Gore then shifted course again, claiming that he hadn't known that the event was a "formal fund-raiser" where money would be solicited. But Ickes' memos clearly say otherwise. A January 2 memo, addressed to Clinton and Gore as well as several White House staffers, makes mention of an April 29 Los Angeles fund-raising event that was to be attended by the Veep. Ickes set a goal for the affair of $200,000.

All told, at least a dozen of the Ickes documents describe the Los Angeles affair as a fund-raiser. The last — on April 10, just 19 days before Gore's trip — lists John Huang as the organizer of the event and ups the estimated haul from the monks to $250,000. The subject of this memo, also addressed to Clinton and Gore, was the DNC's "budget/fundraising" and states that an attached Schedule B — where the April 29 affair is listed — describes "events and anticipated gross revenues from all [upcoming] major donor fundraising". The memo further states that the Clinton/Gore team was to headline fund-raisers that were expected to drum up $8.7 million in April of 1996 alone.

Home Sweet Old Growth

Though floundering politically, Gore and his minions continue to troll for dollars with their customary zeal. One of the Veep's closest political and financial allies is Peter Knight, Gore's former top aide in the Senate, head of the Clinton/Gore reelection campaign and a lobbyist at the powerhouse firm of Wunder, Diefendorfer, Cannon and Thelan. Knight also chairs the benignly named Vice-President's Residence Foundation, an outfit which is raising money to restore the old Naval Observatory, where Gore and his family currently reside.

In a solicitation to a March fund-raiser, Knight asked potential donors to shell out $10,000 in exchange for a print of a Jamie Wyeth painting of the Observatory plus an intimate dinner with Al and Tipper. "The Gores have done an outstanding job preserving the Residence," Knight wrote. "The Gores have had help, though — mostly from people like yourself who understand the need to maintain our historic treasures."

Ever conscious of the Veep's reputation as an environmental crusader, Knight neglected to mention that the Foundation used old-growth Douglas Fir — logged in Oregon from the nesting habitat of the Northern Spotted Owl — to rebuild the mansion's wrap-around porch. ■

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(Flux, continued from p. 1)

START II is approved, the crisis in tritium supply is deferred until 2015.

The juxtaposition of the two words "Hanford" and "tritium" was itself, as all present at the November meeting knew well, politically fissile to the highest degree. For one thing, the specter of tritium production haunts the local communities around Hanford. Decades of nuclear production have rendered the area a radioactive wasteland. A so-called "tritium plume" spreads out across the aquifer under Hanford and seeps into the nearby Columbia River. Moreover, a new generation of H-bomb production at Hanford would arouse the hated legions of Greenpeace to disruptive activity.

Worse yet, news that tritium might be produced at Hanford would detonate the congressional delegations of New Mexico and South Carolina, led by those most puissant of legislators, Pete Domenici and Strom Thurmond, whose half life is four times that of tritium. Earlier in 1995, the Los Alamos National Laboratory in New Mexico and the Savannah River Nuclear Plant in South Carolina had been selected by the DoE as the primary sites for tritium production. "The 'tritium only' mission", a secret Consortium memo emphasized with fierce underlinings, "has ZERO chance/probability of success – the delegations from South Carolina and New Mexico will KILL the 'tritium only' mission, leaving Hanford with NO long term mission."

It was Thompson, the operator from Washington, who pointed a way out of this impasse. Looking at the DoE's Lash, Thompson counselled thus: "You all should be riding the AIDS cure bandwagon." To a hushed audience Thompson outlined his plan, distributing a memo labelled "Sensitive and Confidential" and titled "Privatize the Fast Flux". The overall strategic thrust was a plan to transfer a public asset worth billions to private hands at no cost to the latter. The tactical manuevers toward this end were candidly outlined for the DoE bureaucrats.

It was crucial, the memo counselled, to stress the "humanitarian mission" of Fast Flux *rediwivus*. Blithely ignoring the fact that the Fast Flux was producing nothing of the sort, the memo proclaimed: "We should mount a PR campaign to save America's last producer of medical isotopes." Thompson said the campaign should emphasize the fact that upwards of 95 per cent of the medical isotopes now used in the United States are imported. "This will capture the patriotic allegiance/flair of Congress." Under no circumstances, the memo emphasized, should the subject of tritium production be broached. Instead, "the undeniable worthiness of the humanitarian mission must be highlighted and exploited to the maximum sensitivity of our society."

Prominent in Thompson's mind was the O'Leary problem. The then Secretary of Energy had declared that all the nuclear reactors at Hanford should be shut down permanently and the mission of the reservation would become one of environmental clean-up. How to outflank that public commitment? The idea was to give O'Leary political cover, and what better camoflauge than the war on AIDS?

Kennedy said that the Fast Flux might "lead to a cure for cancer and AIDS".

Kennedy Comes Aboard

On November 28, 1995, eight days after the meeting with Lash, a letter arrived on the desk of Secretary O'Leary from Senator Edward Kennedy. The themes articulated by Thompson just over a week earlier were ably mirrored in the missive of this champion of health care. Kennedy urged O'Leary to "evaluate the potential of the Fast Flux in supplying radiopharmaceuticals to meet the nation's medical requirements." The senator called for an immediate halt to the decommissioning of the Fast Flux while the DoE considered the privatization scheme offered by the Consortium. Kennedy said that the Fast Flux might "lead to a cure for cancer and AIDS".

The coincidence of views between Kennedy and Thompson was scarcely fortuitous. Thompson had enlisted a young law student, Randall Bonebreak, to arrange financing and political support for the Consortium. Bonebreak had a friend in the Kennedy camp who lost no time in impressing the potential of the Fast Flux on his employer. Days after the arrival of Kennedy's letter on O'Leary's desk, the draining of the sodium coolant from the reactor core of the Fast Flux was halted and the plant was placed on "hot stand-by". Stage one of the renaissance of the Fast Flux had been successfully achieved.

The Consortium now faced a delicate task: persuasion of the Department of Energy that the Fast Flux should preface its new mission of mercy with the task of producing tritium for H-bombs. These earnings – in sales to the DoE – would theoretically generate income for production of the medical isotopes some 15 years down the road. All this had to be done without alienating the New Mexico or South Carolina delegations. To this end, the three most powerful members of the Washington congressional delegation paid a visit to O'Leary. Senators Slade Gorton and Patty Murray along with the redoubtable Rep. Norm Dicks ensconced themselves in the Secretary's office and, as another DoE memo reported, "reinforced their united view that Fast Flux should be included as a possible tritium production option".

Dicks fastened on two vital points. At that time the DoE was preparing an environmental impact statement on tritium production, in connection with possible output and waste disposal at Savannah River and Los Alamos. It was vital, Dicks insisted, that this report include at least a mention of the Hanford reactor as a possible option in producing tritium. In any inconvenient brandishing of the nation's environmental laws, this line would get everyone off the hook. Dicks also noted that some of the political opposition to the Fast Flux's tritium mission could be deflected by labelling it an "interim" project, since the Savannah River facility would not be operational until 2012.

Enter Hugh Rodham

By now the Consortium was running at full tilt under the name Advanced Nuclear & Medical Systems. Its next task was to carry its message within the ramparts of the White House itself. Mistrusting O'Leary, it turned first to the influence-peddling brother of the First Lady, Hugh Rodham, at that time mingling the practice of law in Miami with the duties of hosting a syndicated radio show. We now depend on the narrative of Randall Bonebreak, who elected in October of 1996 to blow the whistle on the whole scheme, thus landing himself in deep trouble and, at the time of this writing, in a state courthouse in Ellensburg, Washington. According to Bonebreak, Richard

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Thompson and his partner, Williams Stokes, respectively vice president and president of Advanced Nuclear & Medical Systems, retained Rodham with a down payment of $50,000 to press their cause with the Clintons. Rodham duly wrote a letter to Clinton touting the privatization scheme and raised the matter with his sister. Under instructions from Thompson, he strongly emphasized personal themes. Had Advanced Nuclear & Medical Systems been up and running a decade earlier, Rodham stressed to the Clintons, things might have gone very differently for Bill Clinton's mother and Al Gore's sister, both felled by cancer. Thompson was a guest on Rodham's radio show where the AIDS cure potential of the Fast Flux was vigorously touted.

As the 1996 presidential campaign gathered momentum, so did the lobbying offensive by the Consortium. Glen Phipps, a Democratic congressional hopeful in the Hanford district, had a private audience with the President in April of that year, where he claimed that restarting the Fast Flux would generate thousands of new jobs. Vice president Al Gore and his staff received no less than four briefings on the subject from March through June. Gore was told how beautifully the privatization of the Hanford nuclear plant would fit in with the vice president's "reinventing government" initiative.

A Foot in the White House

Despite the fine work of Hugh Rodham, Thompson and his cohorts had yet to attain their supreme political objective, face time with the President. The big corporations in the Consortium were shovelling truckloads of money at the Democratic National Committee. For example, the Fluor Corporation had given $100,000 to the DNC on May 6 and was swiftly compensated for this disbursement two months later, acquiring the $5 billion management contract for Hanford, previously held by Westinghouse. Fluor had had the prudence to hire Peter Knight, subsequently compaign manager for the Clinton/Gore re-election effort, as their lobbyist a year earlier. Despite allegations surfacing in early 1996 that Fluor's handling of the clean-up of the Fernald Nuclear Plant in Ohio was incompetent, costly and dangerous, the Hanford contract was signed off on by Thomas Grumbly, deputy secretary of energy and a former Gore staffer.

Lacking Fluor's resources, Thompson and Stokes wanted to short-circuit the cumbersome rituals of campaign financing by excercising the arts of intellectual persuasion on the Commander in Chief. To that end, they hired a Democratic Party operator from Chicago by the name of Vincent Tomaso, who was a close friend of White House press spokesman Mike McCurry and of former DNC chairman David Wilhelm, himself a Chicagoan. Excited memos about Fast Flux's potential then passed from Thompson and Tomaso to the White House staffers.

These memos soon found their mark and a meeting was set between Thompson, Tomaso and senior White House aide George Stephanopoulos. According to

The hustlers ambushed Hillary in Seattle and told her Hanford could be a "medical Mecca".

Thompson's notes "both Clinton and Gore had given 'thumbs up' to the project and after a one-hour briefing to George Stephanopoulos he 'strongly endorsed the process.' " After the successful session with Stephanopoulos, the way was cleared for an encounter with the President. Thompson and Tomaso finally got their meeting with Clinton at the Democratic National Convention in Chicago.

A few days before Thompson and Tomaso imparted their vision to Bill in Chicago, they were able to ambush Hillary Rodham Clinton in Seattle, whither the First Lady had journeyed to visit the Hutchinson Cancer Center. Flourishing what Bonebreak says are entirely fictitious and misrepresented research papers from the Center, Thompson and Tomaso lectured the First Lady on the colossal potential for victory over cancer and AIDS represented by the New Hanford which, they said, could become a "medical Mecca". (Hanford is of course infamous for having itself caused thousands of cancers — mostly of the thyroid gland — durings its 40 year history as a plutonium factory.)

The Cells of Kalkar

Politically the pieces were now all in place. The vital factors were now financing and fuel. Bonebreak was assigned that mission. In August of 1996, he took himself off to Europe for colloquy with sources of venture capital. During this excursion he set up a meeting in Essen, Germany, for himself and Thompson with executives from Schnell-Bruter-Kernkraftwerksgesellschaft, a conglomerate of Dutch, Belgian and German utility companies. In the late 1980s this conglomerate — SBK — had been engaged in the construction of a German breeder reactor at Kalkar, the SNR-300, which had proved to be an economic disaster, mired in cost overruns, and burdened with nearly 300 highly radioactive plutonium fuel cells, now stored in Hannau, Germany, and Dunreay, Scotland. The SBK executives offered Thompson's firm $35.8 million to take this liability off their hands, removing the cells to Hanford and using them to fuel the Fast Flux.

This was not the first time SBK had looked hopefully westward in direction for relief. The company had tried to offload the cells to Hanford in 1991, but the Bush administration rejected the proposal when it decided to shut down the Fast Flux. SBK didn't give up. It secured the services of a Washington, DC fixer, Howard K. Shapar, a senior partner at the lobbying firm of Shaw, Pittman, Potts & Trowbridge. Shapar specializes in representing foreign nuclear companies seeking to do business in the US. His clients include the Australian Nuclear Science & Technology Organization, Denmark's Rise National Laboratory, Germany's NUKEM GmbH, the Japan Atomic Energy Research Institute, Sweden's Studsvik Nuclear A.B., and the Taiwan Power Company. All of these companies are looking to the United States as a potential repository for their nuclear waste. Shapar was particularly attracted by the Hanford option presented by Thompson. In order to help open Hanford's gates to foreign nuclear materials Shapar had enlisted the help of one of his other clients, Nuclear Fuels Services, Inc., an outfit with the virtue of being the only US firm with a permit to transport, internationally, any nuclear fuels or waste. The firm was headed by a man legendary in nuclear circles, Paul Shutt, a student of Albert Einstein.

Shapar, Thompson, Bonebreak and Shutt met in Paris shortly after the gathering with the SBK executives in Germany. Bonebreak says that Shutt

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promised to acquire all of the necessary permits for the transport and disposition at Hanford of the SBK plutonium cells. Shutt said that he would convince DoE officials that leaving the fuel in Europe presented a security risk. This approach yielded speedy results. A memo to Secretary O'Leary from Willis W. Bixby, deputy assistant secretary for Nuclear Materials and Facilities Stabilization, recommended that "from a non-proliferation aspect, the US government should encourage the transfer of material from Germany to the US. If the US does not take the fuel, the Germans may be forced to reprocess it ... Executing this transfer will require close cooperation with and support from numerous stakeholder groups, governments and agencies." Translation: a lucrative contract for Nuclear Fuels Services, Inc.

For his part, Shapar placed Bonebreak and Thompson in contact with some of his other European clients, arranging for further shipments of nuclear fuel. "I suddenly found myself in the center of an international market in nuclear waste," Bonebreak tells us. "It was bizarre and frightening."

Bonebreak Gets Scared

In August Bonebreak was beginning to have qualms about the entire scheme. He was, a little late perhaps, starting to feel that Thompson was, as he now puts it to **CounterPunch**, "a damn crook". Two days before he left for Europe, IRS agents seized all of Thompson's personal accounts and records involving a failed real estate venture. This raid came two weeks after Thompson was forced to resign his State Transportation Commission post, brought up on allegations of sexual harassment. This last misfortune may have endeared him to former Washington governor Mike Lowry and President Bill Clinton (whom he met three weeks later), both of whom had endured their own travails in this area.

Aside from these insights into Thompson's tumultuous life, Bonebreak suddenly discerned — again, perhaps a little late — the real purpose of Advanced Nuclear & Medical Systems. Shapar confided to him that, as Bonebreak recalls it, "with a little modification any nuclear fuel from commercial reactors in Europe could be used for almost anything, even tritium production." Bonebreak woke up to the fact that he was involved in what appeared to be a conspiracy to breach the International Atomic Energy Treaty, which forbids trade in commercial nuclear fuel for the production of nuclear weapons. He also realized that the German Constitution prohibited the government and any German company from having anything to do with the production of nuclear weapons. A final factor in Bonebreak's trepidation was his instructions to set up labyrinthine overseas accounts in Lichtenstein and the Caymans in order to house the cash from SBK and transactions with other European nuclear companies.

Bonebreak was beginning to feel that Thompson, his boss and a prime mover behind the Fast Flux scheme, was "a damn crook".

As the embattled Thompson surveyed his operations in September of 1996 he must have felt a surge of pride in the Napoleonic speed and success of his campaign. Everything was now in place, and polls showed that his benefactor, the Clinton administration, was on the way to easy victory (though Thompson had covered this bet with an overture to Bob Dole). It looked as though O'Leary's Energy Department was going to give the vital go-ahead for the privatization plan. The Fast Flux was still humming away in hot stand-by, awaiting its new mission. Thompson was within reach of his billions.

Thompson, however, had not reckoned on Bonebreak, who was feeling ever more deeply that "I was up to my ass with a bunch of crooks, wondering how far they were willing to go. I didn't want to be implicated in their crimes and wanted to try to undo what I had helped to create."

The Whistle Is Blown

On October 4, Bonebreak arranged a meeting with the IRS in Seattle, carrying with him a briefcase crammed with internal documents from Thompson and the DoE. Bonebreak says the IRS agents listened to him with interest, indicated there was not much they could do, but that the *Seattle Times* was just down the street. This was not exactly what Bonebreak, looking to cover himself, had in mind. Instead, he went to Greenpeace, where he met with Tom Clements, of the group's International Nuclear Campaign.

Clements counselled two courses. First, Bonebreak should leak the whole affair to the German weekly, *Der Spiegel*, thus raising alarm in Europe and blocking the planned SBK shipments. Second, he should unburden himself to the Washington, DC-based Government Accountability Project, which might give him some protection as a whistleblower when Bonebreak's betrayed associates turned on him, as he accurately felt they were bound to do.

On October 8 Bonebreak learned that Thompson was about to leave for Washington, DC to sign a contract with the Energy Department, commencing the privatization of the Fast Flux. Bonebreak duly cleaned out his office in Ellensburg, in central Washington northwest of Hanford, collected his files and headed to DC himself for a meeting with reporters from *Der Spiegel*. He spent four days telling them his story and was able to direct them to Thompson's hotel, where they confronted the great schemer. The story broke

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in Germany, causing political uproar.

Two weeks later Bonebreak was in jail in Washington state, charged with burglary and possession of stolen documents. The Washington police had shown up at his Ellensburg home as the Bonebreaks were sitting down to dinner. Bonebreak's father opened the door to find the police preparing to smash it down with a battering ram. They demanded Bonebreak's files. He quickly handed them over, and the cops promptly ransacked the rest of the house. Bonebreak sat in jail for two weeks before being released on $50,000 bail. The charges had been lodged by Richard Thompson, who claimed that the material Bonebreak had given to the *Der Spiegel* reporters was "proprietary information worth millions of dollars". In fact, nearly all of the Bonebreak Papers have been made publicly available by the DoE as a result of Freedom of Information Act requests lodged by the Government Accountability Project. Even so, as **CounterPunch** goes to press, Bonebreak's trial is about to commence. He faces a possible prison term of 12 years and fines totalling more than half a million dollars.

The Road to Chernobyl

None of these explosive goings on appear to have perturbed the Department of Energy, which now awaits the firm leadership of former Transportation Secretary Frederico Pena, perhaps most famous for his spirited defense of Valu-Jet, in the fraught moments after the ramshackle operation had managed to kill more than a hundred of its customers in the Florida Everglades. One of O'Leary's last acts before she headed into private life and a seat on the board of the powerful energy company AES was to give the official sanction to Hanford's role as a potential site for the production of tritium and for the burning of commercial nuclear waste in the Fast Flux reactor. The price tag for keeping the Fast Flux in hot stand-by is roughly $32 million a year, money that will be diverted from Hanford's already impoverished environmental clean-up accounts.

One of O'Leary's last acts before she headed into private life was to approve Hanford as a potential site for tritium production.

O'Leary's Energy Department made this decision, knowing all the while that the Fast Flux was not designed for such a role. In a March 1996 report, given to us by the Government Accountability Project, the DoE's Office of Defense Programs reviewed the Fast Flux's capability to burn enriched plutonium and produce tritium. The report stated explicitly, "No engineer would propose a fast reactor to make tritium from lithium, which is a thermal neutron absorber, and modifying a test reactor to the strength capacity of a production machine ... places the plant at great risk." The Office of Defense Programs cautioned that any use of the Fast Flux in this manner "could trigger a very serious accident." The results might be "catastrophic". This report was transmitted to O'Leary on March 21, 1996, by her deputy secretary Charles Curtis, who dryly noted that it would be "fair to say that Terry Lash [before whom Thompson had made his initial pitch in 1995] would reserve judgement on this matter. However I believe that it is important to face the issue, make a decision and move on. I am convinced that the Fast Flux presents too many risks to warrant further investment or inquiry." O'Leary ignored this advice.

This story — and if we believe Charles Curtis, it could have climaxed in a Chernobyl-type explosion — is not merely the epitaph to a scam, but an omen of what is to come. Reagan and Bush wanted to shut down the Department of Energy and turn its responsibilities over to the Defense Department. Clinton/Gore, in the name of reinventing government, want to sell off most of its assets. In the years to come, we may well see scores of privatized nuclear reactors on government sites such as Hanford, importing nuclear waste to produce anything from hydrogen bombs to medical isotopes. Just look how far a couple of unsavory characters from Washington state got with their scheme. ■

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